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76-21241

7 December 1976

MEMORANDUM FOR: Deputy Director of Central Intelligence

SUBJECT: Personnel Management

1. You have asked several times for such input as we can make on the various "goals" topics being addressed by the Executive Advisory Group. In this connection, we felt we might be most helpful to you by concentrating on those dealing with personnel matters. In addition, the EAG papers and minutes of the October 20 EAG meeting on personnel management have been forwarded to us for review and comment. In what follows, we have attempted to combine our thoughts on specific personnel questions and our comments on the related recommendations in the paper prepared for the EAG by the DDA. Page references are to that paper.

#### Career Development

2. We wholeheartedly concur with the DDA's conclusion (p. 31) that employees are concerned about the adequacy of career development programs and procedures. We cannot, however, agree that the principle problem is one of unrealistic employee expectations or that further Employee Bulletins are a solution. In all honesty, Employee Bulletins that simply defend and explain current practices—especially in an area where employees are dissatisfied—are probably destructive of employee confidence in management.

3. This is not to say that we disagree that employees have a responsibility for planning their own careers. But they cannot discharge that responsibility alone; it must be a joint endeavor with management. For this, we do not need new systems, we need to use the ones we have. The PDP names names; the ADP, if it has any validity, is drawn up with names in mind. But it is the rare component that consults the individual for whom it is "planning." And there is, as best we can tell, no follow-up action taken on any of the plans.

4. Our feeling is that the problem needs to be addressed primarily at the level of the immediate supervisor. The supervisor should exercise an already implicit responsibility for discussing career development—both future assignments and possible training—with employees on a regular basis. Not enough do. At the risk of proposing a bureaucratic approach, we suggest that the DDA proposal (p. 29) that supervisors be rated on

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their handling of new employees be expanded to an across-the-board requirement that fitness reports on all employees with less than 15 years service make explicit reference to possible future jobs and possible training opportunities. As a corollary, the employee's option to comment on fitness ratings should be expanded to allow for the employee's comments on these subjects. This would serve the dual purpose of forcing the supervisor to think of the employee's future and encouraging the employees to think beyond the immediate job.

5. We also think it should be Agency policy that each employee with two or three years service should be invited to discuss future jobs and training desires with that individual or group most likely to make decisions about the employee's immediate future. (The vague wording reflects the fact that the locus of personnel power varies widely between components). The logical, and intended, extension of this idea is that most professional personnel should be reassigned after a two to three year first tour.

#### Versatility/Rotation

6. Although the bulk of reassignments will no doubt continue to be intra-directorate, the possibility of rotational assignments should be made clear to the employee from EOD on. Here, again, we part company with the DDA suggestions (p. 9 and p. 37) that slots designated as rotational should be "few", "mostly staff" and "senior...men." The only way to break down the institutional barriers is to begin with relatively junior employees who have not become captives of various Directorate-imposed habits of thought and behavior. The best way to develop flexibility is to rotate people into substantive jobs--where the duties are dissimilar--rather than into similar staff jobs in different components. If you want a lot of flexible people, you cannot get them by undertaking only a few rotations. We will restrain ourselves on the question of gender, since we feel confident that you can guess what we think.

7. To be more specific, we believe we should be aiming for perhaps 10 percent or so of our professional people in rotational assignments at any time. We think it may be necessary to set a quota for each directorate. We believe that there should be the maximum possible number of direct swaps (e.g., two Near East analysts from ORPA traded for two operations officers from NE Division, an OER monetary analyst for a DDO officer with [ ] experience, obvious exchanges between Commo and OES, OEL and OWI, OSR and NPIC, etc.). The swap arrangement would discourage the propensity to propose for rotation those of limited competence, since each supervisor would realize that you must offer quality if you hope to get quality. The final decision on each rotation should rest with the receiving component. We further suggest that "suitability for rotation" be a heavily-weighted factor in all personnel rating systems and that potential for rotation be a subject supervisors are encouraged to address in fitness reports.

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8. As a corollary, we believe a separate career service (or board with some functions) should be established for those on rotation. Rotation must be made both appealing and rewarding. Under current arrangements, it is more likely to be threatening, since parent career services appear inclined to promote those who remain home and discount good fitness reports from outside the parent service. Moreover, rotatees have in the past been more vulnerable to RIFs. The essence of this proposal is that the "Rotatee Career Service" have the power to promote—even over the objections of the parent service—and that it have a strong say in the next assignment of each employee completing a rotational tour.

9. We further believe that the same new board, or yet another to be created, should have responsibility for assignments and promotions of all individuals who have reached the GS-14 level. Obviously, most recommendations for promotion and proposals for reassignment would come from the parent directorate, and the board would simply endorse many of the recommendations. But a board dedicated to a cross-Agency look would be in a position to offer alternative suggestions for some assignments and to weigh all promotion recommendations to GS-15 and beyond against the total needs of the Agency.

10. We also take exception to the notion that OTR should devise a training course for officers designated to fill such positions. Such orientations are clearly the responsibility of the receiving directorate; they should be individually tailored to circumstances. We do think, however, that OTR could contribute by emphasizing in its courses for new employees that they should be thinking about their next assignment from the day they enter and that they should be looking beyond the borders of their initial offices or directorates.

#### Key Operating Officials

11. We trust that the identification of "key positions" referred to in the minutes of the 20 October EAG meeting is only the first step in the process. Once those positions have been identified, we believe that a move toward bringing the PDP to life should follow. Individuals potentially capable of filling those positions should be identified by name, with suggestions provided by each Deputy, who would be encouraged to submit names from other directorates as well as his/her own. Any nomination should only be considered in light of that list. One side benefit of such an approach would be identification of a list of high potential employees, since certain names would appear on the lists of several Deputies and/or as potentially qualified for a number of positions.

#### Separation

12. The DDA recommendations (pp. 25-26) begin by suggesting that poor performance should be identified early but go on to say that low potential should not be sufficient basis for identifying employees for possible counseling or separation. A necessary distinction is not made. We believe that low potential should be the single most important criterion

for judging employees in their first several years on board. The Agency has a responsibility to new employees, as well as itself and the taxpayers, to identify its hiring mistakes early and help those who do not live up to expectations to find more satisfying futures elsewhere. One problem is the one-year probationary period. One year, under one supervisor, is no test of potential. The first year review should be a serious look for possible mistakes. The possibility of error in either hiring or assignment should be reflected in a transfer to a second assignment. The employee should be told then that a potential problem has been identified and that the change of assignment and supervisor is a deliberate effort to determine whether the problem lies with the employee or with the assignment or supervisor. A re-review should be conducted at the end of two or three years--concurrent with the "future jobs and training" review suggested in Paragraph 5.

13. So far as employees with longer service are concerned, we agree that low potential must not be used as the sole basis for rating employee performance. Many trained, valuable employees are content to remain in grade and in place, contributing greatly to our overall effectiveness. But we do believe that either supervisors or Career Service Boards should be honest with such employees and that they should reflect their convictions in their promotion decisions.

14. The single biggest glitch in the system is the human factor--individuals do not like to tell others to their face that they are not measuring up. They avoid the unpleasantness and pass the problem along to someone else when possible. We are all guilty. But we, as a group, do not believe that the Agency is doing enough to live up to its claims that all its employees are superior. Primarily as a means of forcing supervisors to deal honestly with their subordinates, we wholeheartedly endorse a recent suggestion by the DDS&T Management Advisory Panel that a statement of competitive ranking be included in each fitness report. We would go further, also requiring that the next ranking be communicated to the employee as soon as the new rankings have been compiled. Including rankings in fitness reports should also help to make the attempt to separate (or encourage voluntary departure of) an employee less threatening to the supervisor who tries. At present, it all too often works out that the supervisor is labeled the troublemaker in such a situation. In addition, we feel strongly that each employee should again be made aware of the right to see personnel files and that a consistent policy on this should be enforced throughout the Agency.

15. As part of a program to ease the lot of those who are not fulfilling the Agency's needs, could we work out an agreement with the Civil Service Commission to obtain CSC ratings for at least some of our employees? Several of the "excepted services"--including the Foreign Service, USIA, ACTION, and ERDA--have such arrangements. For CIA, it would be an asset both in attracting personnel--especially clericals, we believe--and in alleviating some of the human problems inherent in any separation out policy.

16. Rewarding excellence is often seen in terms of "fast-tracking" (p. 10). But the question is really one of differential between excellent and average. What we see happening is rapid promotion for the bulk of the professionals to about the GS-13 level and then a severe bottleneck. This probably means that too many people are being promoted to the 13 or 14 level simply because the grade structure provides "headroom." At that bottleneck, the distress created in co-worker-observers by a "wrong" promotion is many times as great as the pleasure created by a "right" one. Our message here is that the psychological satisfaction of good employees will be enhanced if the promotion process is selective from the beginning and if the propensity to promote everyone as long as there's space can be overcome. A promotion says, "CIA wants you to remain on board." Whether that signal is an accurate one needs to be an explicit judgment faced in every promotion recommendation. In sum, we believe that promotions need to be more competitive all along the way. We believe most of your middle-level employees are not only willing but anxious to see this happen.

17. In regard to promotions, we are somewhat troubled by the suggestion that "career tracks should be developed for substantive and functional specialists that need not force them into managerial responsibilities for advancement" (p. 28) and similar statements in the past. We applaud this suggestion with reservations--reservations that stem in part from the lack of a clear explanation of the reason for the recommendation. The real problem is that we are too often saddled with bad managers who were promoted because they were good analysts, case officers or engineers. We believe that every effort should be made to reduce the number of strictly managerial jobs, by eliminating unnecessary layers and unnecessary creation of sub-divisions, and thus to increase the number of non-managerial slots at the higher levels.

18. Our other reservations have to do with the often proposed concept of reserving some number of senior slots for specialists. As we understand "specialist" in this context, the reference is to an individual who wishes to deal with a single subject or a single kind of operation or a single work speciality and who is unwilling or unable to perform in a supervisory role. First, let us say that there should always be room for exceptions to overall policy. But we wonder how protective CIA really needs to be of its specialists. The costs are high. Reduced to the essentials, we are talking about promoting an analyst or case officer to GS-16 in 20 years (more or less) of EOD and thereafter paying \$40,000 a year plus on-duty and retirement benefits (at current rates) for another 10-15 years. The dollar cost during the latter period is in excess of half a million dollars. The personnel cost is denial of promotion to someone who is more flexible in type of occupation and who is willing and able to assume supervisory (read: people-handling) functions.

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19. To be hard-hearted for a paragraph, are these costs necessary? We are at a disadvantage here, because we do not know whether any substantial number of "specialists" have left in recent years because better opportunities were available outside. But we suspect that the market for specialists is little, if any, better outside. Which is to say, we suspect that the Agency can retain its specialists without incurring extraordinary costs.

20. A partial solution may also be found in relaxing or eliminating the Office of Personnel's guidelines for grades. We understand, although we cannot find reference in the report, that the [redacted] team was extremely critical of our unnecessary adherence to Civil Service Commission rules, regulations and guidelines of various kinds. Why should it be necessary to give an individual a misleading title and false job description to justify a promotion? Given that an office of division chief has a certain number of each grade to assign, why shouldn't such a chief be allowed to decide which jobs are the most important? We recognize that the whole system reflects the struggle between directorates for slots at various grades, but we do not think the current process is a solution.

21. We believe other changes are possible to facilitate rewarding excellence, especially at the lower levels. We believe that Agency policy of using the even grades for junior professionals has outlived its usefulness. At NPIC, a CIA GS-7 doing a solid job can expect to become a GS-8 in a year; his desk-mate, a DoD GS-7 doing the same solid job, can expect to become a GS-9 in a year. This is wrong.

22. We further believe that supervisors should be encouraged to award Quality Step Increases and that procedures for QSIs should be simplified. This would serve two purposes. It would give us an easy way to reward superior performance. And, it would give us a way to reward that performance in the lower ranks--especially the clerical ones--without promoting employees too rapidly to a position where there is no headroom. At present, despite the regulations, promotions are easier to grant than QSI's in practice, but the short-term solution of granting a promotion can mean the long-term drawback of having used up almost all the rewards and incentives we have to offer certain groups of people.

23. We also need some way to honor superior short-term performance--a purpose for which the QSI is sometimes misused. We do, of course, have certificates of merit. But we should also make much more extensive use of bonus programs, whereby a one-time lump sum payment is awarded for special achievements on a specific project or assignment.

24. As to the DDA's claims (p. 10) that a reasonable amount of fast tracking is occurring, we agree that the 1975 record of 10 percent of promotions to GS-14, 15 and 16 being granted within two years is respectable, in the aggregate. But we are dealing with individual human beings and with separate organizational boxes, not with aggregates. A glance at the table (p. 14) shows that DDA and DDO were less flexible in their practices than

the other major units. A table at the component level would no doubt show some who have not violated a time-in-grade guideline in the memory of anyone now on board. And it is precisely this capricious and arbitrary treatment, which depends largely on the attitudes of individual supervisors, that leads 35 percent of our employees to judge the promotion system as unfair (p. 33). We need more than another guidance issuance stating that time-in-grade is not a rigid requirement (p. 27). We need to have that message repeated frequently and forcefully by Deputy Directors to supervisors and promotion panels. And we need to have it supplemented with an equally forceful statement that time in grade is also not sufficient grounds for promotion. Indeed, we wonder whether time in grade need be taken into account at all. A promotion decision is a highly personal thing; need it depend on anything other than the capabilities and potential of the person in question?

EEO

25. We are dealing here with deep seated attitudinal problems. We need to face up to the fact that whatever is done, someone will be hurt--blacks, women, etc., who are treated unfairly or the people responsible for the unfair treatment. It should be made abundantly clear now that the EEO performance of each component will be reviewed in depth on a component-by-component basis at the end of the year and that the details of both superior and poor performance will be made public within the Agency. This is, admittedly, a "fight fire with fire" solution. We propose to embarrass some people. It must be done with extreme care, and every effort must be made to avoid singling out poor performance on unfair or inaccurate grounds. The praise must be heaped on at least twice as liberally as the blame. But it is time to get a lot more public and a lot more personal about this issue.

26. In many cases, employees with a complaint or grievance are unsure whether to go to the IG, the EEO Office, or both. As the DDA paper (p. 31) points out, employees do not understand grievance procedures. This is an area in which a Headquarters Bulletin or a letter to employees from the DDCI could do some good. What is needed is a clear, concise paper for all employees that explains in one document all the grievance mechanisms of the EEO office and the IG and explains where they work together and where they are independent.

27. In the EEO area, even more than in others, we are handicapped by our lengthy personnel processing procedures. It is a fact of the 1970's that highly qualified minority applicants are in great demand. We should be making a particular point of looking for such individuals while they have at least a year left in college or graduate school. We should also have procedures for expediting processing of those who are clearly qualified and apparently clearable. There is no obvious reason why we cannot employ such individuals on unclassified projects pending final clearance and even keep them on for a year on such projects in the event that the unexpected clearance problem does crop up.

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28. We should also seek to expand our programs for hiring highly qualified minority applicants while they are still in school--or at the time of high school graduation--and assisting them in their college educations.

29. In sum, we should make every reasonable effort to enlist and retain minority employees whose abilities are patently superior. And we should be willing to take strong action in the case of managers now on board who are unwilling to carry out their responsibilities in this area.

30. With regard to the particular discontent of women pointed out by the DDA (p. 38), there are a number of specific problem areas to be worked out. Women take pregnancy leave. Regulations guarantee them continued employment in a position of like seniority, status and pay. Practice guarantees them only pay. Women accompany their husbands on overseas assignments; upon return, their job rights, if they exist at all, are not clearly defined. Some DDO women in operational support jobs overseas return to find only clerical jobs in headquarters. The average age of women is substantially higher at almost all grades than the average age of men. At the middle and lower grades, women are less likely than men to get "high visibility" opportunities--presumably because there is widespread belief that the women cannot handle the "pressures" involved. To a degree, women compound their own problems; fearing that they are likely to be turned down on the basis of sex, they fail to express their desire for new opportunities and more responsibility.

New EOD's

31. Follow up interviews of all EOD's should be conducted at the end of the first year. However, contrary to the DDA recommendation (pp. 29-30), these should be conducted by the people who rate, assign, and promote--supervisors and Career Service board participants--rather than by the Office of Personnel. There probably is good reason to ask Personnel to coordinate development of a list of common questions to be used by all components, so that certain statistics could be compiled on an Agency-wide basis. But asking Personnel to do the interviewing compounds the existing problem of inadequate involvement of supervisors and Career Services in career development. The comment (p. 23) that "senior directorate personnel officers... reported in general that they had very little direct contact with new employees" is perhaps the most damning statement in the DDA paper.

32. As indicated above, new EOD's should be told early and often about job opportunities throughout the Agency and should be encouraged to begin planning a future. Those who are not proving highly satisfactory in their first assignment should be tried in a second. Training courses should be substantially revamped, so that they are short, relevant, and intellectually challenging. All components should have some sort of formal mechanism for orienting new employees. And the OSI "buddy system" (p. 23) sounds most attractive.

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33. As to the other specific DDA suggestions, our reactions are mixed. We believe that rating supervisors on how well they provide on-the-job training and orientation (p. 29) is worthwhile, though we recognize that it will be a sterile exercise in many cases. We believe better orientation of clericals is desperately needed, but we believe that there should be some formal indoctrination at EOD, rather than simply a training course within two or three months (p. 30). We would encourage some regular process in every component for familiarizing all new clerical employees with formats, procedures, etc. and not simply leaving that to a perhaps inexperienced supervisor. (Many supervisors do not know or care how wide the margins should be or how the signature block should look, but some front office secretaries do not now take the time to assume their responsibilities in this regard. They simply return work to be redone, leaving the new clerical frustrated and creating unnecessary distress and insecurity.)

#### General

34. We have not, of course, addressed all the personnel questions under review by the EAG, but we have tried to comment in some depth on those where we feel we can make a potentially useful input. We would like to close with a few comments that make explicit some of the feelings that may only be implicit in the above.

35. We do not need a lot of elaborate new systems. We need to use those we have or discard them. This applies not only to PDP and ADP--it applies to LOI's, MBO, the lower 3 percent or 5 percent exercises, fitness reports, etc. As human beings, we all have difficulty being honest with one another, particularly where honesty requires examining weaknesses as well as strengths. We must, nevertheless, force ourselves to do it.

36. We think new and different approaches to personnel assessment should be tried. This would include both peer rating and rating of supervisors.

37. The Agency needs to clarify responsibilities for career and personnel management and align responsibility with organization. Specifically, an Office of Personnel subordinate to one Deputy Director cannot develop or implement personnel policy. Yet, there is no need for such basic functions as identifying new recruits, processing forms, and overseeing employee benefits to be elevated to the level of the PDCI. What we would suggest is a small organization (perhaps called the Office of Personnel Policy) reporting directly to you and responsible for:

- performing the Career Service function for rotatees and GS-14s and up;

- doing the same for another group not covered in the DDA paper--those on detail to other agencies;

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- developing or adjusting policy-related personnel systems and ensuring feedback on them;
- facing up to problems of "mix";
- being your eyes and ears in the area of assignment to key positions;
- taking a hard look at PRA practices throughout the Agency; and
- generally concentrating on overseeing such Agency-wide problems as lack of career development planning, inadequacy of quality control, and unevenness of application of various policies and regulations.

We would leave what remains of the Office of Personnel where it is and suggest that the head of the new Office of Personnel Policy (who probably should be recruited from outside) take advantage of his improved bureaucratic position to take a good, hard look at the personnel policies of the directorates, bringing in outside consultants to help.

38. We also sense in much that we have recently heard and read that the faith of top management in OTR far exceeds our own. This is not to say that OTR is staffed with inferior individuals or that it is poorly run. Rather, we are inclined to believe that the concept of a centralized Office of Training ought to be reexamined. Our own personal experiences with OTR courses lead us to the conclusion that they are usually designed to be of use to all and end up spending too long on too little of real importance to the individual student. There is a huge variety of courses available in the outside world--courses that would help bring CIA personnel into increased contact with outsiders and with new ideas. These look expensive--but we doubt that they compare unfavorably with the per-student-day cost of OTR. Certainly we need in-house training, but we would like to see more of it conducted by the components with specific expertise and less of it conducted centrally. Failing any other change, we suggest that every OTR course could probably be shortened at least 25 percent and most could be shortened 50 percent.

39. In closing, we are not a discontented lot. Indeed, we are probably remarkably content, in that we certainly enjoy an unusual luxury in our continuing contact with you and our unusual access to information

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on top management's plans and concerns. But since what we have seen of the advice you are getting through official channels on personnel issues strikes us as terribly bland, we have deliberately chosen to be blunt. Personnel concerns are a source of considerable unhappiness among many of the people for whom you and the DCI are responsible, and we take you at your word that you want us to be straightforward.



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*for*  
THE MANAGEMENT ADVISORY GROUP

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TO: Director, Personnel		
ROOM NO.	BUILDING	
REMARKS  The attached is circulated to EAB members and D/Pers per Mr. Knoche's instruction.		
FROM: O/Comptroller		
ROOM NO.	BUILDING	EXTENSION

FORM NO. 241 REPLACES FORM 36-B  
WHICH MAY BE USED.

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